

## **REQUEST FOR PROPOSALS**

### **FEASIBILITY STUDY FOR THE**

### **SOCAR Waste Management Facility Project**

**Submission Deadline: 4:00 PM**

**LOCAL TIME**

**November 23, 2009**

**Submission Place:** Mr. Cabir Niyazov  
Ecological Department of SOCAR  
State Oil Company of Azerbaijan  
H.Aliyev Avenue, 113,  
Baku, Azerbaijan AZ1029  
+994 12 521 08 01

**SEALED PROPOSALS SHALL BE CLEARLY MARKED AND RECEIVED PRIOR TO THE TIME AND DATE SPECIFIED ABOVE. PROPOSALS RECEIVED AFTER SAID TIME AND DATE WILL NOT BE ACCEPTED OR CONSIDERED.**

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## **Section 1: INTRODUCTION**

The U.S. Trade and Development Agency (USTDA) has provided a grant in the amount of US\$572,068 to the State Oil Company of the Republic of Azerbaijan (the "Grantee") in accordance with a grant agreement dated August 13, 2009 (the "Grant Agreement"). This Grant would fund a feasibility study (the "Feasibility Study") for a proposed Waste Management Facility project (the "Project") in Azerbaijan (the "Host Country"). The Grant Agreement is attached at Annex 4 for reference. The Grantee is soliciting technical proposals from qualified U.S. firms to provide expert consulting services to perform the Feasibility Study.

### **1.1 BACKGROUND SUMMARY**

SOCAR's current operations generate a wide variety of wastes including drilling mud, oil-contaminated soil, waste oil, tires, formation water, and solid waste such as plastics, wood, and electronic waste. In addition, oil-contaminated soils exist in a great number of locations throughout the Absheron Peninsula which SOCAR plans to remediate.

Currently, SOCAR manages a single 45,000 m<sup>3</sup> landfill in the Garadagh District that commenced operations in 1985, for the final disposal of a portion of the oil-contaminated soils from remediation and from drilling activities. In the first year of operation, approximately 11,000 m<sup>3</sup> of soil were accepted at the landfill. The amount being disposed has been far less since then with only about 890 m<sup>3</sup> / year disposed at present. The original design called for 1,600 m<sup>3</sup> disposal / year with an approximate landfill life of 20 years. Approximately 25 – 35% of the capacity has been used to date. Several exploration companies (including Lukoil, SOCAR, and Caspian Oil) are using the landfill. The reported disposal charge is 166 manat / m<sup>3</sup> (roughly US\$200 / m<sup>3</sup>) plus VAT. This six cell landfill, however, has structural flaws (e.g., cracks in the concrete liner) and needs to be replaced.

Along with the need to dispose of waste generated from ongoing remediation efforts, one of SOCAR's highest priorities is to establish a new waste management facility (or an upgrade of the existing facility) that will process the wastes from SOCAR operations (past and present) as well as from its approximately 120 subsidiaries. This facility would focus on recovery of oil and other materials from the waste streams using various unit processes (rather than landfilling) but would also include a properly designed landfill to manage those materials that cannot be treated or recovered. Assuming that the facility would have a 30-year lifetime and include final disposal of materials at a rate that does not exceed the current disposal rate, the landfill capacity of the new (or upgraded) facility would be approximately 50,000.

A background Definitional Mission is provided for reference in Annex 2.

## 1.2 OBJECTIVE

This feasibility study will evaluate the technical, economic, and financial feasibility of developing a new (or upgraded) waste management facility in Azerbaijan. This FS would also include recommendations for the design, construction, and operation of the facility. The Terms of Reference (TOR) for this Feasibility Study are attached as Annex 5.

## 1.3 PROPOSALS TO BE SUBMITTED

Technical proposals are solicited from interested and qualified U.S. firms. The administrative and technical requirements as detailed throughout the Request for Proposals (RFP) will apply. Specific proposal format and content requirements are detailed in Section 3.

The amount for the contract has been established by a USTDA grant of US\$572,068. **The USTDA grant of \$US572,068 is a fixed amount. Accordingly, COST will not be a factor in the evaluation and therefore, cost proposals should not be submitted.** Upon detailed evaluation of technical proposals, the Grantee shall select one firm for contract negotiations.

## 1.4 CONTRACT FUNDED BY USTDA

In accordance with the terms and conditions of the Grant Agreement, USTDA has provided a grant in the amount of US\$572,068 to the Grantee. The funding provided under the Grant Agreement shall be used to fund the costs of the contract between the Grantee and the U.S. firm selected by the Grantee to perform the TOR. The contract must include certain USTDA Mandatory Contract Clauses relating to nationality, taxes, payment, reporting, and other matters. The USTDA nationality requirements and the USTDA Mandatory Contract Clauses are attached at Annexes 3 and 4, respectively, for reference.

## **Section 2: INSTRUCTIONS TO OFFERORS**

### **2.1 PROJECT TITLE**

The project is called "SOCAR Waste Management Facility Feasibility Study".

### **2.2 DEFINITIONS**

Please note the following definitions of terms as used in this RFP.

The term "Request for Proposals" means this solicitation of a formal technical proposal, including qualifications statement.

The term "Offeror" means the U.S. firm, including any and all subcontractors, which responds to the RFP and submits a formal proposal and which may or may not be successful in being awarded this procurement.

### **2.3 DEFINITIONAL MISSION REPORT**

USTDA sponsored a Definitional Mission to address technical, financial, sociopolitical, environmental and other aspects of the proposed project. A copy of the report is attached at Annex 2 for background information only. Please note that the TOR referenced in the report are included in this RFP as Annex 5.

### **2.4 EXAMINATION OF DOCUMENTS**

Offerors should carefully examine this RFP. It will be assumed that Offerors have done such inspection and that through examinations, inquiries and investigation they have become familiarized with local conditions and the nature of problems to be solved during the execution of the Feasibility Study.

Offerors shall address all items as specified in this RFP. Failure to adhere to this format may disqualify an Offeror from further consideration.

Submission of a proposal shall constitute evidence that the Offeror has made all the above mentioned examinations and investigations, and is free of any uncertainty with respect to conditions which would affect the execution and completion of the Feasibility Study.

## **2.5 PROJECT FUNDING SOURCE**

The Feasibility Study will be funded under a grant from USTDA. The total amount of the grant is not to exceed US\$572,068.

## **2.6 RESPONSIBILITY FOR COSTS**

Offeror shall be fully responsible for all costs incurred in the development and submission of the proposal. Neither USTDA nor the Grantee assumes any obligation as a result of the issuance of this RFP, the preparation or submission of a proposal by an Offeror, the evaluation of proposals, final selection or negotiation of a contract.

## **2.7 TAXES**

Offerors should submit proposals that note that in accordance with the USTDA Mandatory Contract Clauses, USTDA grant funds shall not be used to pay any taxes, tariffs, duties, fees or other levies imposed under laws in effect in the Host Country.

## **2.8 CONFIDENTIALITY**

The Grantee will preserve the confidentiality of any business proprietary or confidential information submitted by the Offeror, which is clearly designated as such by the Offeror, to the extent permitted by the laws of the Host Country.

## **2.9 ECONOMY OF PROPOSALS**

Proposal documents should be prepared simply and economically, providing a comprehensive yet concise description of the Offeror's capabilities to satisfy the requirements of the RFP. Emphasis should be placed on completeness and clarity of content.

## **2.10 OFFEROR CERTIFICATIONS**

The Offeror shall certify (a) that its proposal is genuine and is not made in the interest of, or on behalf of, any undisclosed person, firm, or corporation, and is not submitted in conformity with, and agreement of, any undisclosed group, association, organization, or corporation; (b) that it has not directly or indirectly induced or solicited any other Offeror to put in a false proposal; (c) that it has not solicited or induced any other person, firm, or corporation to refrain from submitting a proposal; and (d) that it has not sought by collusion to obtain for itself any advantage over any other Offeror or over the Grantee or USTDA or any employee thereof.

## **2.11 CONDITIONS REQUIRED FOR PARTICIPATION**

Only U.S. firms are eligible to participate in this tender. However, U.S. firms may utilize subcontractors from the Host Country for up to 20 percent of the amount of the USTDA grant for

specific services from the TOR identified in the subcontract. USTDA's nationality requirements, including definitions, are detailed in Annex 3.

## **2.12 LANGUAGE OF PROPOSAL**

All proposal documents shall be prepared and submitted in English, and only English.

## **2.13 PROPOSAL SUBMISSION REQUIREMENTS**

The **Cover Letter** in the proposal must be addressed to:

Mr. Cabir Niyazov  
Ecological Department of SOCAR  
State Oil Company of Azerbaijan  
H.Aliyev Avenue, 113,  
Baku, Azerbaijan AZ1029  
+994 12 521 08 01

**An Original and eight (8) copies of your proposal must be received at the above address no later than 4:00 PM, on November 23, 2009.**

Proposals may be either sent by mail, overnight courier, or hand-delivered. Whether the proposal is sent by mail, courier or hand-delivered, the Offeror shall be responsible for actual delivery of the proposal to the above address before the deadline. Any proposal received after the deadline will be returned unopened. The Grantee will promptly notify any Offeror if its proposal was received late.

Upon timely receipt, all proposals become the property of the Grantee.

## **2.14 PACKAGING**

The original and each copy of the proposal must be sealed to ensure confidentiality of the information. The proposals should be individually wrapped and sealed, and labeled for content including "original" or "copy number x"; the original and eight (8) copies should be collectively wrapped and sealed, and clearly labeled.

Neither USTDA nor the Grantee will be responsible for premature opening of proposals not properly wrapped, sealed and labeled.

## **2.15 AUTHORIZED SIGNATURE**

The proposal must contain the signature of a duly authorized officer or agent of the Offeror empowered with the right to bind the Offeror.

## **2.16 EFFECTIVE PERIOD OF PROPOSAL**



The proposal shall be binding upon the Offeror for NINETY (90) days after the proposal due date, and Offeror may withdraw or modify this proposal at any time prior to the due date upon written request, signed in the same manner and by the same person who signed the original proposal.

## **2.17 EXCEPTIONS**

All Offerors agree by their response to this RFP announcement to abide by the procedures set forth herein. No exceptions shall be permitted.

## **2.18 OFFEROR QUALIFICATIONS**

As provided in Section 3, Offerors shall submit evidence that they have relevant past experience and have previously delivered advisory, feasibility study and/or other services similar to those required in the TOR, as applicable.

## **2.19 RIGHT TO REJECT PROPOSALS**

The Grantee reserves the right to reject any and all proposals.

## **2.20 PRIME CONTRACTOR RESPONSIBILITY**

Offerors have the option of subcontracting parts of the services they propose. The Offeror's proposal must include a description of any anticipated subcontracting arrangements, including the name, address, and qualifications of any subcontractors. USTDA nationality provisions apply to the use of subcontractors and are set forth in detail in Annex 3. The successful Offeror shall cause appropriate provisions of its contract, including all of the applicable USTDA Mandatory Contract Clauses, to be inserted in any subcontract funded or partially funded by USTDA grant funds.

## **2.21 AWARD**

The Grantee shall make an award resulting from this RFP to the best qualified Offeror, on the basis of the evaluation factors set forth herein. The Grantee reserves the right to reject any and all proposals received and, in all cases, the Grantee will be the judge as to whether a proposal has or has not satisfactorily met the requirements of this RFP.

## **2.22 COMPLETE SERVICES**

The successful Offeror shall be required to (a) provide local transportation, office space and secretarial support required to perform the TOR if such support is not provided by the Grantee; (b) provide and perform all necessary labor, supervision and services; and (c) in accordance with best technical and business practice, and in accordance with the requirements, stipulations, provisions and conditions of this RFP and the resultant contract, execute and complete the TOR to the satisfaction of the Grantee and USTDA.

## **2.23 INVOICING AND PAYMENT**

Deliverables under the contract shall be delivered on a schedule to be agreed upon in a contract with the Grantee. The Contractor may submit invoices to the designated Grantee Project Director in accordance with a schedule to be negotiated and included in the contract. After the Grantee's approval of each invoice, the Grantee will forward the invoice to USTDA. If all of the requirements of USTDA's Mandatory Contract Clauses are met, USTDA shall make its respective disbursement of the grant funds directly to the U.S. firm in the United States. All payments by USTDA under the Grant Agreement will be made in U.S. currency. Detailed provisions with respect to invoicing and disbursement of grant funds are set forth in the USTDA Mandatory Contract Clauses attached in Annex 4.

### **Section 3: PROPOSAL FORMAT AND CONTENT**

To expedite proposal review and evaluation, and to assure that each proposal receives the same orderly review, all proposals must follow the format described in this section.

Proposal sections and pages shall be appropriately numbered and the proposal shall include a Table of Contents. Offerors are encouraged to submit concise and clear responses to the RFP. Proposals shall contain all elements of information requested without exception. Instructions regarding the required scope and content are given in this section. The Grantee reserves the right to include any part of the selected proposal in the final contract.

The proposal shall consist of a technical proposal only. A cost proposal is NOT required because the amount for the contract has been established by a USTDA grant of US\$572,068, which is a fixed amount.

Offerors shall submit one (1) original and eight (8) copies of the proposal. Proposals received by fax cannot be accepted.

Each proposal must include the following:

- Transmittal Letter,
- Cover/Title Page,
- Table of Contents,
- Executive Summary,
- Company Information,
- Organizational Structure, Management Plan, and Key Personnel,
- Technical Approach and Work Plan, and
- Experience and Qualifications.

Detailed requirements and directions for the preparation of the proposal are presented below.

#### **3.1 EXECUTIVE SUMMARY**

An Executive Summary should be prepared describing the major elements of the proposal, including any conclusions, assumptions, and general recommendations the Offeror desires to make. Offerors are requested to make every effort to limit the length of the Executive Summary to no more than five (5) pages.

### **3.2 COMPANY INFORMATION**

For convenience, the information required in this Section 3.2 may be submitted in the form attached in Annex 6 hereto.

#### **3.2.1 Company Profile**

Provide the information listed below relative to the Offeror's firm. If the Offeror is proposing to subcontract some of the proposed work to another firm(s), the information below must be provided for each subcontractor.

1. Name of firm and business address (street address only), including telephone and fax numbers.
2. Year established (include predecessor companies and year(s) established, if appropriate).
3. Type of ownership (e.g. public, private or closely held).
4. If private or closely held company, provide list of shareholders and the percentage of their ownership.
5. List of directors and principal officers (President, Chief Executive Officer, Vice-President(s), Secretary and Treasurer; provide full names including first, middle and last). Please place an asterisk (\*) next to the names of those principal officers who will be involved in the Feasibility Study.
6. If Offeror is a subsidiary, indicate if Offeror is a wholly-owned or partially-owned subsidiary. Provide the information requested in items 1 through 5 above for the Offeror's parent(s).
7. Project Manager's name, address, telephone number, e-mail address and fax number .

#### **3.2.2 Offeror's Authorized Negotiator**

Provide name, title, address, telephone number, e-mail address and fax number of the Offeror's authorized negotiator. The person cited shall be empowered to make binding commitments for the Offeror and its subcontractors, if any.

#### **3.2.3 Negotiation Prerequisites**

1. Discuss any current or anticipated commitments which may impact the ability of the Offeror or its subcontractors to complete the Feasibility Study as proposed and reflect such impact within the project schedule.
2. Identify any specific information which is needed from the Grantee before commencing contract negotiations.

### 3.2.4 Offeror's Representations

If any of the following representations cannot be made, or if there are exceptions, the Offeror must provide an explanation.

1. Offeror is a corporation *[insert applicable type of entity if not a corporation]* duly organized, validly existing and in good standing under the laws of the State of \_\_\_\_\_. The Offeror has all the requisite corporate power and authority to conduct its business as presently conducted, to submit this proposal, and if selected, to execute and deliver a contract to the Grantee for the performance of the Feasibility Study. The Offeror is not debarred, suspended, or to the best of its knowledge or belief, proposed for debarment, or ineligible for the award of contracts by any federal or state governmental agency or authority. The Offeror has included, with this proposal, a certified copy of its Articles of Incorporation, and a certificate of good standing issued within one month of the date of its proposal by the State of \_\_\_\_\_.
2. Neither the Offeror nor any of its principal officers have, within the three-year period preceding this RFP, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a federal, state or local government contract or subcontract; violation of federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violating federal or state criminal tax laws, or receiving stolen property.
3. Neither the Offeror, nor any of its principal officers, is presently indicted for, or otherwise criminally or civilly charged with, commission of any of the offenses enumerated in paragraph 2 above.
4. There are no federal or state tax liens pending against the assets, property or business of the Offeror. The Offeror, has not, within the three-year period preceding this RFP, been notified of any delinquent federal or state taxes in an amount that exceeds \$3,000 for which the liability remains unsatisfied. Taxes are considered delinquent if (a) the tax liability has been fully determined, with no pending administrative or judicial appeals; and (b) a taxpayer has failed to pay the tax liability when full payment is due and required.
5. The Offeror has not commenced a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law. The Offeror has not had filed against it an involuntary petition under any bankruptcy, insolvency or similar law.

The selected Offeror shall notify the Grantee and USTDA if any of the representations included in its proposal are no longer true and correct at the time of its entry into a contract with the Grantee. USTDA retains the right to request an updated certificate of good standing from the selected Offeror.

### **3.3 ORGANIZATIONAL STRUCTURE, MANAGEMENT, AND KEY PERSONNEL**

Describe the Offeror's proposed project organizational structure. Discuss how the project will be managed including the principal and key staff assignments for this Feasibility Study. Identify the Project Manager who will be the individual responsible for this project. The Project Manager shall have the responsibility and authority to act on behalf of the Offeror in all matters related to the Feasibility Study.

Provide a listing of personnel (including subcontractors) to be engaged in the project, including both U.S. and local subcontractors, with the following information for key staff: position in the project; pertinent experience, curriculum vitae; other relevant information. If subcontractors are to be used, the Offeror shall describe the organizational relationship, if any, between the Offeror and the subcontractor.

A manpower schedule and the level of effort for the project period, by activities and tasks, as detailed under the Technical Approach and Work Plan shall be submitted. A statement confirming the availability of the proposed project manager and key staff over the duration of the project must be included in the proposal.

### **3.4 TECHNICAL APPROACH AND WORK PLAN**

Describe in detail the proposed Technical Approach and Work Plan (the "Work Plan"). Discuss the Offeror's methodology for completing the project requirements. Include a brief narrative of the Offeror's methodology for completing the tasks within each activity series. Begin with the information gathering phase and continue through delivery and approval of all required reports.

Prepare a detailed schedule of performance that describes all activities and tasks within the Work Plan, including periodic reporting or review points, incremental delivery dates, and other project milestones.

Based on the Work Plan, and previous project experience, describe any support that the Offeror will require from the Grantee. Detail the amount of staff time required by the Grantee or other participating agencies and any work space or facilities needed to complete the Feasibility Study.

### **3.5 SECTION 5: EXPERIENCE AND QUALIFICATIONS**

Provide a discussion of the Offeror's experience and qualifications that are relevant to the objectives and TOR for the Feasibility Study. If a subcontractor(s) is being used, similar information must be provided for the prime and each subcontractor firm proposed for the project. The Offeror shall provide information with respect to relevant experience and qualifications of key staff proposed. The Offeror shall include letters of commitment from the individuals proposed confirming their availability for contract performance.

As many as possible but not more than six (6) relevant and verifiable project references must be provided for the Offeror and any subcontractor, including the following information:

Project name,  
Name and address of client (indicate if joint venture),  
Client contact person (name/ position/ current phone and fax numbers),  
Period of Contract,  
Description of services provided,  
Dollar amount of Contract, and  
Status and comments.

Offerors are strongly encouraged to include in their experience summary primarily those projects that are similar to or larger in scope than the Feasibility Study as described in this RFP.

#### **Section 4: AWARD CRITERIA**

Individual proposals will be initially evaluated by a Procurement Selection Committee of representatives from the Grantee. The Committee will then conduct a final evaluation and completion of ranking of qualified Offerors. The Grantee will notify USTDA of the best qualified Offeror, and upon receipt of USTDA's no-objection letter, the Grantee shall promptly notify all Offerors of the award and negotiate a contract with the best qualified Offeror. If a satisfactory contract cannot be negotiated with the best qualified Offeror, negotiations will be formally terminated. Negotiations may then be undertaken with the second most qualified Offeror and so forth.

The selection of the Contractor will be based on the following criteria:

- 1. Solid and Hazardous Waste Management Studies Experience (25%)**  
Firm or team's relevant experience in both solid and hazardous waste characterization and recycling / treatment technologies evaluation.
- 2. Hazardous Waste Treatment Facility Design Experience (25%)**  
Firm or team's relevant experience in designing both solid and hazardous waste characterization and treatment evaluation.
- 3. Training Qualifications (10%)**  
Experience of proposer on training in hazardous waste treatment.
- 4. Qualifications and Experience of Firm or Team's Key Staff (30%)**  
Capabilities and demonstrated experience of key positions such as project manager, process engineer, environmental engineer, and financial specialist. Proposer should also include an organization chart of key personnel.
- 5. Local Capabilities (10%)**  
Capabilities of local associates or firm to assist with logistics, data collection, etc.

Proposals that do not include all requested information may be considered non-responsive.

Price will not be a factor in contractor selection.



## **ANNEX 1**

MR. CABIR NIYAZOV, ECOLOGICAL DEPARTMENT OF SOCAR, STATE OIL COMPANY OF AZERBAIJAN, H.ALIYEV AVENUE, 113., BAKU, AZERBAIJAN AZ1029, +994 12 521 08 01

B - AZERBAIJAN: SOCAR WASTE MANGEMENT FACILITY PROJECT

POC John Kusnierek, USTDA, 1000 Wilson Boulevard, Suite 1600, Arlington, VA 22209-3901, Tel: (703) 875-4357, Fax: (703) 875-4009. AZERBAIJAN: SOCAR WASTE MANGEMENT FACILITY PROJECT. The Grantee invites submission of qualifications and proposal data (collectively referred to as the "Proposal") from interested U.S. firms which are qualified on the basis of experience and capability to develop a feasibility study to

- a) evaluate the technical, economic, and financial feasibility of developing a new (or upgraded) waste management facility in Azerbaijan.
- b) Provide suggestions for the design, construction, and operation of the facility.

SOCAR's current operations generate a wide variety of wastes including drilling mud, oil-contaminated soil, waste oil, tires, formation water, and solid waste such as plastics, wood, and electronic waste. In addition, oil-contaminated soils exist in a great number of locations throughout the Absheron Peninsula which SOCAR plans to remediate. Currently, SOCAR manages a single 45,000 m3 landfill in the Garadagh District that commenced operations in 1985, for the final disposal of a portion of the oil-contaminated soils from remediation and from drilling activities. This six cell landfill, however, has structural flaws (e.g., cracks in the concrete liner) and needs to be replaced. Along with the need to dispose of waste generated from ongoing remediation efforts, one of SOCAR's highest priorities is to establish a new waste management facility (or an upgrade of the existing facility) that will process the wastes from SOCAR operations (past and present) as well as from its approximately 120 subsidiaries.

The U.S. firm selected will be paid in U.S. dollars from a \$572,068 grant to the Grantee from the U.S. Trade and Development Agency (USTDA).

A detailed Request for Proposals (RFP), which includes requirements for the Proposal, the Terms of Reference, and a background definitional mission/desk study report are available from USTDA, at 1000 Wilson Boulevard, Suite 1600, Arlington, VA 22209-3901. To request the RFP in PDF format, please go to: <https://www.ustda.gov/USTDA/FedBizOpps/RFP/rfpform.asp>. Requests for a mailed hardcopy version of the RFP may also be faxed to the IRC, USTDA at 703-875-4009. In the fax, please include your firm's name, contact person, address, and telephone number. Some firms have found that RFP materials sent by U.S. mail do not reach them in time for preparation of an adequate response. Firms that want USTDA to use an overnight delivery service should include the name of the delivery service and your firm's account number in the request for the RFP. Firms that want to send a courier to USTDA to retrieve the RFP should allow one hour after faxing the request to USTDA before scheduling a pick-up. Please note that no telephone requests for the RFP will be honored. Please check your internal fax verification receipt. Because of the large number of RFP requests, USTDA cannot respond to requests for fax verification. Requests for RFPs received before 4:00 PM will be mailed the same day. Requests received after 4:00 PM will be mailed the following day. Please check with your courier and/or mail room before calling USTDA.

Only U.S. firms and individuals may bid on this USTDA financed activity. Interested firms, their subcontractors and employees of all participants must qualify under USTDA's nationality requirements as of the due date for submission of qualifications and proposals and, if selected to

carry out the USTDA-financed activity, must continue to meet such requirements throughout the duration of the USTDA-financed activity. All goods and services to be provided by the selected firm shall have their nationality, source and origin in the U.S. or host country. The U.S. firm may use subcontractors from the host country for up to 20 percent of the USTDA grant amount. Details of USTDA's nationality requirements and mandatory contract clauses are also included in the RFP.

Interested U.S. firms should submit their Proposal in English directly to the Grantee by 4:00 PM, NOVEMBER 23, 2009 at the above address. Evaluation criteria for the Proposal are included in the RFP. Requests for clarification on any aspect of the RFP should be directed to POC John Kusnierek, USTDA, 1000 Wilson Boulevard, Suite 1600, Arlington, VA 22209-3901, Tel: (703) 875-4357, Fax: (703) 875-4009. Any such request must be received no later than 4:00 PM, NOVEMBER 23, 2009 in order to be honored. Price will not be a factor in contractor selection, and therefore, cost proposals should NOT be submitted. The Grantee reserves the right to reject any and/or all Proposals. The Grantee also reserves the right to contract with the selected firm for subsequent work related to the project. The Grantee is not bound to pay for any costs associated with the preparation and submission of Proposals.

## **ANNEX 2**

**(excerpts from the Definitional Mission Report)**

## **3.2 Waste Management Facility**

### **3.2.1. Project Description**

SOCAR's current operations generate a wide variety of wastes including drilling mud, oil-contaminated soil, waste oil, tires, formation water, and solid waste such as plastics, wood, and electronic waste. In addition, oil-contaminated soils exist in a great number of locations throughout the Absheron Peninsula which SOCAR plans to remediate.

Currently, SOCAR manages a single 45,000 m<sup>3</sup> landfill in the Garadagh District, that commenced operations in 1985, for the final disposal of a portion of the oil-contaminated soils from remediation and from drilling activities. In the first year of operation, approximately 11,000 m<sup>3</sup> of soil were accepted at the landfill. The amount being disposed has been far less since then with only about 890 m<sup>3</sup> / year disposed at present. The original design called for 1,600 m<sup>3</sup> disposal / year with an approximate landfill life of 20 years. Approximately 25 – 35% of the capacity has been used to date. Several exploration companies (including Lukoil, SOCAR, and Caspian Oil) are using the landfill. The reported disposal charge is 166 manat / m<sup>3</sup> (roughly US\$200 / m<sup>3</sup>) plus VAT. This six cell landfill, however, has structural flaws (e.g., cracks in the concrete liner) and needs to be replaced (During the DM, significant cracking was noted in the concrete liner).

Along with the need to dispose of waste generated from ongoing remediation efforts, one of SOCAR's highest priorities is to establish a new waste management facility (or an upgrade of the existing facility) that will process the wastes from SOCAR operations (past and present) as well as from its approximately 120 subsidiaries. This facility would focus on recovery of oil and other materials from the waste streams using various unit processes (rather than landfilling) but would also include a properly designed landfill to manage those materials that cannot be treated or recovered. Assuming that the facility would have a 30 year lifetime and include final disposal of materials at a rate that does not exceed the current disposal rate, the landfill capacity of a the new (or upgraded) facility would be approximately 50,000 m<sup>3</sup>. The cost of the upgraded facility would be on the order of US\$ 30 million.

SOCAR would benefit from training and technical assistance from a U.S. consultant to support SOCAR in the development of the planned waste management facility. Training would assist SOCAR by enhancing their understanding of how to best manage their current and future waste needs and help them advance their facility plans.

### **3.2.2. Project Sponsor's Capabilities and Commitment**

SOCAR is committed to establishing their entire environmental program which includes proper design and construction of a waste management facility which will be used to recover wastes for beneficial re-use and (where necessary) to provide proper disposal which has limited potential environmental impacts. During the DM, this particular need was listed in the top two or three priority projects by the Ecological Department. The aforementioned decrees will require that SOCAR strongly pursue the waste management facility program.

### 3.2.3. Implementation Financing

The development of this facility will require initial capital outlay from SOCAR as well as outside investments. One of the obvious sources for funding of a project of this size would be the European Bank for Reconstruction and Development (EBRD). The EBRD was established in 1991 following the waning communist control in central and Eastern Europe and ex-soviet countries. The EBRD is the largest single investor in the region and mobilizes significant foreign direct investment beyond its own financing. Despite its public sector shareholders, it invests mainly in private enterprises, usually together with commercial partners.

*Other potential external investment sources include the World Bank (e.g., the International Bank for Reconstruction and Development), private banks, the Global Environment Facility (GEF), and others. The aforementioned 2008 project report produced by The World Bank (see Sxn. 3.1.3) cites the plans of SOCAR to expend US\$ 600 million for environmental cleanup. Conceivably, the upgrade of the waste facility could be at least partially covered by this internal fund. For GEF funding, the project appears to meet its two key criteria: (1) must reflect national or regional priorities and have the support of the country or countries involved, and (2) must improve the global environment or advance the prospect of reducing risks to it. Ex-Im Bank financing is also a possibility.*

### 3.2.4. U.S. Export Potential

The most likely U.S. equipment exports would include various process equipment for recovery and treatment of wastes, waste handling equipment (conveyors, pug mills, etc.) landfill lining materials (e.g., geotextiles such as HDPE plastic sheeting), shredders, front-end loaders, sampling and analysis equipment, personal protection equipment (PPE), design and construction oversight services, etc. Start-up and training services also have potential export value. Examples of U.S. companies which can provide such equipment and services include the following:

<b>Table 4</b> <b>Potential U.S. Suppliers and Service Providers of</b> <b>Waste Management Facility Development</b> <b>(Illustrative Examples)</b>		
<b>Equipment / Service Category</b>	<b>Company</b>	<b>City &amp; State</b>
Hazardous Waste Treatment	Commodore Applied Technologies	Richland, WA

**Table 4**  
**Potential U.S. Suppliers and Service Providers of**  
**Waste Management Facility Development**  
**(Illustrative Examples)**

Wastewater Treatment Equipment	Eimco Process Equipment U.S. Filter-Envirex Smith & Loveless	Salt Lake City, UT Waukesha, WI Lenexa, KS
Design & Construction Support, including EPC Contract Wrap	CH2M HILL Montgomery-Watson Harza CDM International Black & Veatch Parsons Bechtel Fluor Daniel Brown and Root Raytheon Engrs. & Constrs.	Denver, CO Pasadena, CA Cambridge, MA Kansas City, MO Pasadena, CA San Francisco, CA Norwood, MA Houston, TX Princeton, NJ
Environmental Engineering	Pennoni International URS	Philadelphia, PA Denver, CO
Owner's Engineering and Due Diligence	RW Beck	Seattle, WA
Financial Advisory Services and Project Development Support	Scully Capital Deloitte Touche	Washington, DC Washington, DC
Remediation Design & Management	Geosyntec URS Fluor Daniel CH2M Hill	Atlanta, GA Denver, CO Norwood, MA Denver, CO
Plastic / Tire Shredders	SSI Wendt Corporation	Wilsonville, Oregon Tonawanda, NY
Liners	Poly-Flex, Inc. National Seal Company	Grand Prairie, TX Aurora, IL
Oil/Water Separators	Great Lakes Environmental Zander Filter Systems	Lake Bluff, IL Norcross, GA
Sludge Management Equipment	Andritz Ruthner Ashbrook U.S. Filter/Envirex Eimco Process Equipment	Arlington, TX Houston, TX Waukesha, WI Salt Lake City, UT
Front End Loaders	Caterpillar John Deere	Peoria, IL Moline, IL
Material Handling Equipment	FEECO International A.J. Sackett Co. & Sons	Green Bay, WI Baltimore, MD

A conceptual estimate of the potential export value for the project is provided in Table 5 below. Note that the export value is dependent on the types of processes and their capacities which are included in the facility.

<p align="center"><b>Table 5</b> <b>Potential Export Estimates for SOCAR Waste Management Facility</b></p>		
<i>Unit Item</i>	<i>Estimated Cost (Million US\$)</i>	<i>Estimated Export Potential (Million US\$)</i>
Site Work	1	0
Landfill Construction	10	2
Building Construction	1	0
Waste Holding Tanks	2	0
Materials Handling Equipment	2	1.5
Shredders (2)	1	1
Front End Loaders (3)	1	1
Filter Presses (3)	1	1
Physical / Chemical Treatment System	2	1.5
Biological Treatment System	2	1.5
Pumps / Filters (10)	0.5	0.5
Oil Water Separators	0.5	0.5
Design Engineering	2	2
Construction Management	1	1
Analytical Equipment	1	1
Training	0.5	0.5
Misc. Equipment	2	1
<b>TOTAL</b>	<b>30.5</b>	<b>16</b>

### 3.2.5. Foreign Competition/Market Entry Issues

Evidence of foreign competition was encountered during the DM. For example, the Finns who are known for their international hazardous waste management projects, have been active in the remediation market in country. Other companies from Germany (Ekol Engineering, an Azeri / German joint venture) and France (Veolia and Alfa Laval) were noted to have some related involvement in Baku. U.S. companies that may be interested in entering the market and may be positioned to do so include URS, MWH, ERG, Tetra Tech, Bechtel, Froehling & Robertson, and ENSAFE. URS operates a small office in Baku and other U.S. companies have worked in the region. ENSAFE completed a US\$ 2.6 million World Bank-funded soil remediation project in Baku a few years ago. The environmental remediation / waste management market may be compelling to U.S. companies due to the presence of U.S. oil companies, project funding from SOCAR's oil revenues, and the keen interest of SOCAR in U.S. environmental companies and



technologies. (SOCAR's interest in U.S. firms and technical assistance was reiterated to the DM consultant throughout the OV).

### **3.2.6. Developmental Impact**

#### **3.2.6.1 Primary Developmental Benefits**

This project is expected to have the following developmental impacts:

- *Infrastructure. The hazardous waste management facility being contemplated represents needed infrastructure that is not now present. Although SOCAR currently operates a waste landfill, this facility is limited with its depleted capacity and faulty lining and does not address the need for waste treatment / recovery. The new (or upgraded) facility is expected to allow a shift from landfill disposal to recovery of materials and treatment of wastes. This approach will extend the life of the landfill over the scenario in which only disposal is used to address wastes. A new landfill will likely be designed for a 25 - 30 year lifetime. (The current landfill has only a few years of useful life remaining, even if repaired).*
- *Human Capacity Building. SOCAR has extensive needs in waste management. Should the facility be constructed and then be operated by SOCAR, it is critical that appropriate training be provided to ensure an efficient operation. The current level of capability in waste management is severely limited. The construction of the new facility should allow for as many as 200 temporary workers; operation of the new or upgraded facility should add as many as 100 facility operators.*
- *Technology Transfer and Productivity Enhancement. The waste management facility would allow for the transfer of unit processes that are not currently operated in Azerbaijan and would allow increased (in terms of amount and type) waste recovery / treatment. An example of a waste to be recovered is the oils from contaminated soils and sludges. For example, recovered oil can be refined to produce petroleum products and the decontaminated soils used as fill. This waste has often been fed into asphalt batch plants.*

*Evaluation of the actual developmental impacts following implementation could be determined through follow-up with the Ecological Department by USTDA. In particular, USTDA should request that the following information be provided:*

- *Cost of facility construction;*
- *List of U.S. suppliers and awarded contracts;*
- *Number of workers operating at the facility;*
- *Throughput of managed waste materials; and*
- *Amount of revenue derived from managing wastes of other companies.*

### **3.2.6.2 Alternatives**

SOCAR has limited waste management capabilities. Should Azerbaijan decide to construct a national treatment / disposal facility, then the project described here in 3.2 might not be as critical. The DM consultant was not made aware of any such plans on a national level.

### **3.2.7. Impact on the Environment**

The project, properly implemented, has direct implications for environmental improvement. Uncontrolled releases to surface water, groundwater and soils and landfill requirements to address hazardous wastes would be reduced. In addition, recovery of materials (e.g., oil, rubber) would result in a decrease in volume of wastes. Overall, construction and operation of the facility should be expected to improve the public health and ecology of the areas which are currently impacted negatively from contaminant releases.

During construction of the facility, short term negative impacts (e.g., noise, dust, etc.) might be expected in the immediate area of the facility. Care would also need to be exercised for the location of the facility which should be constructed at a distance from the public and in not an area which has sensitive flora and fauna that could be negatively impacted by disturbing the area.

### **3.2.8. Impact on U.S. Labor**

The project is not expected to have a negative impact on U.S. labor. The technology transfer to SOCAR will be applied to waste management in Azerbaijan; this is not likely to lead to a labor force to compete with U.S. companies in markets where they are engaged.

### **3.2.9. Qualifications**

The qualifications of the TA Contractor should be evaluated according to the following criteria:

#### **Solid and Hazardous Waste Management Studies Experience (25%)**

Firm or team's relevant experience in both solid and hazardous waste characterization and recycling / treatment technologies evaluation.

#### **Hazardous Waste Treatment Facility Design Experience (25%)**

Firm or team's relevant experience in designing both solid and hazardous waste characterization and treatment evaluation.

#### **Training Qualifications (10%)**

Experience of proposer on training in hazardous waste treatment.

#### **Qualifications and Experience of Firm or Team's Key Staff (30%)**

Capabilities and demonstrated experience of key positions such as project manager, process engineer, environmental engineer, and financial specialist. Proposer should also include an organization chart of key personnel.

**Local Capabilities (10%)**

Capabilities of local associates or firm to assist with logistics, data collection, etc.

**3.2.10. Justification**

SOCAR has clearly exhibited: (1) their need for assistance in the environmental area and (2) their respect for U.S. methods, equipment, and environmental management. This particular project is high on their list of priorities and would offer U.S. firms a prime opportunity to work directly with SOCAR and in the near future.

**3.2.11. Recommendations**

MSE recommends that USTDA authorize a technical assistance grant for the purpose of training SOCAR representatives in waste management facility design and operation.

## **ANNEX 3**



**U.S. TRADE AND DEVELOPMENT AGENCY**  
**Arlington, VA 22209-2131**

**NATIONALITY, SOURCE, AND ORIGIN REQUIREMENTS**

The purpose of USTDA's nationality, source, and origin requirements is to assure the maximum practicable participation of American contractors, technology, equipment and materials in the prefeasibility, feasibility, and implementation stages of a project.

**USTDA STANDARD RULE (GRANT AGREEMENT STANDARD LANGUAGE):**

Except as USTDA may otherwise agree, each of the following provisions shall apply to the delivery of goods and services funded by USTDA under this Grant Agreement: (a) for professional services, the Contractor must be either a U.S. firm or U.S. individual; (b) the Contractor may use U.S. subcontractors without limitation, but the use of subcontractors from host country may not exceed twenty percent (20%) of the USTDA Grant amount and may only be used for specific services from the Terms of Reference identified in the subcontract; (c) employees of U.S. Contractor or U.S. subcontractor firms responsible for professional services shall be U.S. citizens or non-U.S. citizens lawfully admitted for permanent residence in the U.S.; (d) goods purchased for implementation of the Study and associated delivery services (e.g., international transportation and insurance) must have their nationality, source and origin in the United States; and (e) goods and services incidental to Study support (e.g., local lodging, food, and transportation) in host country are not subject to the above restrictions. USTDA will make available further details concerning these standards of eligibility upon request.

**NATIONALITY:**

1) Rule

Except as USTDA may otherwise agree, the Contractor for USTDA funded activities must be either a U.S. firm or a U.S. individual. Prime contractors may utilize U.S.

subcontractors without limitation, but the use of host country subcontractors is limited to 20% of the USTDA grant amount.

## 2) Application

Accordingly, only a U.S. firm or U.S. individual may submit proposals on USTDA funded activities. Although those proposals may include subcontracting arrangements with host country firms or individuals for up to 20% of the USTDA grant amount, they may not include subcontracts with third country entities. U.S. firms submitting proposals must ensure that the professional services funded by the USTDA grant, to the extent not subcontracted to host country entities, are supplied by employees of the firm or employees of U.S. subcontractor firms who are U.S. individuals.

Interested U.S. firms and consultants who submit proposals must meet USTDA nationality requirements as of the due date for the submission of proposals and, if selected, must continue to meet such requirements throughout the duration of the USTDA-financed activity. These nationality provisions apply to whatever portion of the Terms of Reference is funded with the USTDA grant.

## 3) Definitions

A "U.S. individual" is (a) a U.S. citizen, or (b) a non-U.S. citizen lawfully admitted for permanent residence in the U.S. (a green card holder).

A "U.S. firm" is a privately owned firm which is incorporated in the U.S., with its principal place of business in the U.S., and which is either (a) more than 50% owned by U.S. individuals, or (b) has been incorporated in the U.S. for more than three (3) years prior to the issuance date of the request for proposals; has performed similar services in the U.S. for that three (3) year period; employs U.S. citizens in more than half of its permanent full-time positions in the U.S.; and has the existing capability in the U.S. to perform the work in question.

A partnership, organized in the U.S. with its principal place of business in the U.S., may also qualify as a "U.S. firm" as would a joint venture organized or incorporated in the United States consisting entirely of U.S. firms and/or U.S. individuals.

A nonprofit organization, such as an educational institution, foundation, or association may also qualify as a "U.S. firm" if it is incorporated in the United States and managed by a governing body, a majority of whose members are U.S. individuals.

## **SOURCE AND ORIGIN:**

### **1) Rule**

In addition to the nationality requirement stated above, any goods (e.g., equipment and materials) and services related to their shipment (e.g., international transportation and insurance) funded under the USTDA Grant Agreement must have their source and origin in the United States, unless USTDA otherwise agrees. However, necessary purchases of goods and project support services which are unavailable from a U.S. source (e.g., local food, housing and transportation) are eligible without specific USTDA approval.

### **2) Application**

Accordingly, the prime contractor must be able to demonstrate that all goods and services purchased in the host country to carry out the Terms of Reference for a USTDA Grant Agreement that were not of U.S. source and origin were unavailable in the United States.

### **3) Definitions**

“Source” means the country from which shipment is made.

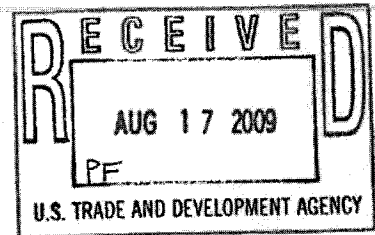
“Origin” means the place of production, through manufacturing, assembly or otherwise.

*Questions regarding these nationality, source and origin requirements may be addressed to the USTDA Office of General Counsel.*

## **ANNEX 4**



## GRANT AGREEMENT



This Grant Agreement is entered into between the Government of the United States of America, acting through the U.S. Trade and Development Agency ("USTDA") and the State Oil Company of the Republic of Azerbaijan ("Grantee"). USTDA agrees to provide the Grantee under the terms of this Agreement US\$572,068 ("USTDA Grant") to fund the cost of goods and services required for a feasibility study ("Study") on the proposed Waste Management Facility project ("Project") in Azerbaijan ("Host Country").

PDF:

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MB  
LZ  
PD  
MC  
JW  
MB

### 1. USTDA Funding

The funding to be provided under this Grant Agreement shall be used to fund the costs of a contract between the Grantee and the U.S. firm selected by the Grantee ("Contractor") under which the Contractor will perform the Study ("Contract"). Payment to the Contractor will be made directly by USTDA on behalf of the Grantee with the USTDA Grant funds provided under this Grant Agreement.

### 2. Terms of Reference

The Terms of Reference for the Study ("Terms of Reference") are attached as Annex I and are hereby made a part of this Grant Agreement. The Study will examine the technical, financial, environmental, and other critical aspects of the proposed Project. The Terms of Reference for the Study shall also be included in the Contract.

### 3. Standards of Conduct

USTDA and the Grantee recognize the existence of standards of conduct for public officials, and commercial entities, in their respective countries. The parties to this Grant Agreement and the Contractor shall observe these standards, which include not accepting payment of money or anything of value, directly or indirectly, from any person for the purpose of illegally or improperly inducing anyone to take any action favorable to any party in connection with the Study.

### 4. Grantee Responsibilities

The Grantee shall undertake its best efforts to provide reasonable support for the Contractor, such as local transportation, office space, and secretarial support. The Grantee shall not be responsible for any additional costs associated with the Study.

## **5. USTDA as Financier**

### **(A) USTDA Approval of Competitive Selection Procedures**

Selection of the U.S. Contractor shall be carried out by the Grantee according to its established procedures for the competitive selection of contractors with advance notice of the procurement published online through *Federal Business Opportunities* ([www.fedbizopps.gov](http://www.fedbizopps.gov)). Upon request, the Grantee will submit these contracting procedures and related documents to USTDA for information and/or approval.

### **(B) USTDA Approval of Contractor Selection**

The Grantee shall notify USTDA at the address of record set forth in Article 17 below upon selection of the Contractor to perform the Study. Upon approval of this selection by USTDA, the Grantee and the Contractor shall then enter into a contract for performance of the Study. The Grantee shall notify in writing the U.S. firms that submitted unsuccessful proposals to perform the Study that they were not selected.

### **(C) USTDA Approval of Contract Between Grantee and Contractor**

The Grantee and the Contractor shall enter into a contract for performance of the Study. This contract, and any amendments thereto, including assignments and changes in the Terms of Reference, must be approved by USTDA in writing. To expedite this approval, the Grantee (or the Contractor on the Grantee's behalf) shall transmit to USTDA, at the address set forth in Article 17 below, a photocopy of an English language version of the signed contract or a final negotiated draft version of the contract.

### **(D) USTDA Not a Party to the Contract**

It is understood by the parties that USTDA has reserved certain rights such as, but not limited to, the right to approve the terms of the contract and any amendments thereto, including assignments, the selection of all contractors, the Terms of Reference, the Final Report, and any and all documents related to any contract funded under the Grant Agreement. The parties hereto further understand and agree that USTDA, in reserving any or all of the foregoing approval rights, has acted solely as a financing entity to assure the proper use of United States Government funds, and that any decision by USTDA to exercise or refrain from exercising these approval rights shall be made as a financier in the course of funding the Study and shall not be construed as making USTDA a party to the contract. The parties hereto understand and agree that USTDA may, from time to time, exercise the foregoing approval rights, or discuss matters related to these rights and the Project with the parties to the contract or any subcontract, jointly or separately, without thereby incurring any responsibility or liability to such parties. Any approval or failure to approve by USTDA shall not bar the Grantee or USTDA from asserting any right they might have against the

Contractor, or relieve the Contractor of any liability which the Contractor might otherwise have to the Grantee or USTDA.

**(E) Grant Agreement Controlling**

Regardless of USTDA approval, the rights and obligations of any party to the contract or subcontract thereunder must be consistent with this Grant Agreement. In the event of any inconsistency between the Grant Agreement and any contract or subcontract funded by the Grant Agreement, the Grant Agreement shall be controlling.

**6. Disbursement Procedures**

**(A) USTDA Approval of Contract Required**

USTDA will make disbursements of Grant funds directly to the Contractor only after USTDA approves the Grantee's contract with the Contractor.

**(B) Contractor Invoice Requirements**

The Grantee should request disbursement of funds by USTDA to the Contractor for performance of the Study by submitting invoices in accordance with the procedures set forth in the USTDA Mandatory Clauses in Annex II.

**7. Effective Date**

This Grant Agreement shall enter into force for the Government of the United States of America upon signature by both parties. This Grant Agreement shall enter into force for the Grantee upon the earlier of (i) the date of receipt by USTDA of the written notification of the Grantee about the completion of the necessary procedures for the entry into force of the Grant Agreement, or (ii) August 31, 2009 ("Effective Date").

**8. Study Schedule**

**(A) Study Completion Date**

The completion date for the Study, which is December 31, 2010, is the date by which the parties estimate that the Study will have been completed.

**(B) Time Limitation on Disbursement of USTDA Grant Funds**

Except as USTDA may otherwise agree, (a) no USTDA funds may be disbursed under this Grant Agreement for goods and services which are provided prior to the Effective Date of the Grant Agreement; and (b) all funds made available under the Grant Agreement must be disbursed within four (4) years from the Effective Date of the Grant Agreement.

## **9. USTDA Mandatory Clauses**

All contracts funded under this Grant Agreement shall include the USTDA mandatory clauses set forth in Annex II to this Grant Agreement. All subcontracts funded or partially funded with USTDA Grant funds shall include the USTDA mandatory clauses, except for clauses B(1), G, H, I, and J.

## **10. Use of U.S. Carriers**

### **(A) Air**

Transportation by air of persons or property funded under the Grant Agreement shall be on U.S. flag carriers in accordance with the Fly America Act, 49 U.S.C. 40118, to the extent service by such carriers is available, as provided under applicable U.S. Government regulations.

### **(B) Marine**

Transportation by sea of property funded under the Grant Agreement shall be on U.S. carriers in accordance with U.S. cargo preference law.

## **11. Nationality, Source and Origin**

Except as USTDA may otherwise agree, the following provisions shall govern the delivery of goods and services funded by USTDA under the Grant Agreement: (a) for professional services, the Contractor must be either a U.S. firm or U.S. individual; (b) the Contractor may use U.S. subcontractors without limitation, but the use of subcontractors from Host Country may not exceed twenty percent (20%) of the USTDA Grant amount and may only be used for specific services from the Terms of Reference identified in the subcontract; (c) employees of U.S. Contractor or U.S. subcontractor firms responsible for professional services shall be U.S. citizens or non-U.S. citizens lawfully admitted for permanent residence in the U.S.; (d) goods purchased for performance of the Study and associated delivery services (e.g., international transportation and insurance) must have their nationality, source and origin in the United States; and (e) goods and services incidental to Study support (e.g., local lodging, food, and transportation) in Host Country are not subject to the above restrictions. USTDA will make available further details concerning these provisions upon request.

## **12. Taxes**

USTDA funds provided under the Grant Agreement shall not be used to pay any taxes, tariffs, duties, fees or other levies imposed under laws in effect in Host Country. Neither the Grantee nor the Contractor will seek reimbursement from USTDA for such taxes, tariffs, duties, fees or other levies.

## **13. Cooperation Between Parties and Follow-Up**

The parties will cooperate to assure that the purposes of the Grant Agreement are accomplished. For five (5) years following receipt by USTDA of the Final Report (as defined in Clause I of Annex II), the Grantee agrees to respond to any reasonable inquiries from USTDA about the status of the Project.

## **14. Implementation Letters**

To assist the Grantee in the implementation of the Study, USTDA may, from time to time, issue implementation letters that will provide additional information about matters covered by the Grant Agreement. The parties may also use jointly agreed upon implementation letters to confirm and record their mutual understanding of matters covered by the Grant Agreement.

## **15. Recordkeeping and Audit**

The Grantee agrees to maintain books, records, and other documents relating to the Study and the Grant Agreement adequate to demonstrate implementation of its responsibilities under the Grant Agreement, including the selection of contractors, receipt and approval of contract deliverables, and approval or disapproval of contractor invoices for payment by USTDA. Such books, records, and other documents shall be separately maintained for three (3) years after the date of the final disbursement by USTDA. The Grantee shall afford USTDA or its authorized representatives the opportunity at reasonable times to review books, records, and other documents relating to the Study and the Grant Agreement.

## **16. Representation of Parties**

For all purposes relevant to the Grant Agreement, the Government of the United States of America will be represented by the U. S. Ambassador to Host Country or USTDA and Grantee will be represented by its President. The parties hereto may, by written notice, designate additional representatives for all purposes under the Grant Agreement.

## **17. Addresses of Record for Parties**

Any notice, request, document, or other communication submitted by either party to the other under the Grant Agreement shall be in writing or through a wire or electronic medium which produces a tangible record of the transmission, such as a telegram, cable

or facsimile, and will be deemed duly given or sent when delivered to such party at the following:

To: State Oil Company of the Republic of Azerbaijan  
73, Neftchilar Avenue  
Baku, Az1000  
Azerbaijan Republic  
Phone: +994-12-492-0685  
Fax: +994-12-497-1167

To: U.S. Trade and Development Agency  
1000 Wilson Boulevard, Suite 1600  
Arlington, Virginia 22209-3901  
USA

Phone: (703) 875-4357  
Fax: (703) 875-4009

All such communications shall be in English, unless the parties otherwise agree in writing. In addition, the Grantee shall provide the Commercial Section of the U.S. Embassy in Host Country with a copy of each communication sent to USTDA.

Any communication relating to this Grant Agreement shall include the following fiscal data:

Appropriation No.: 118/91002  
Activity No.: 2009-81024A  
Reservation No.: 2009810026  
Grant No.: GH2009810009

#### **18. Termination Clause**

Either party may terminate the Grant Agreement by giving the other party thirty (30) days advance written notice. The termination of the Grant Agreement will end any obligations of the parties to provide financial or other resources for the Study, except for payments which they are committed to make pursuant to noncancellable commitments entered into with third parties prior to the written notice of termination.

#### **19. Non-waiver of Rights and Remedies**

No delay in exercising any right or remedy accruing to either party in connection with the Grant Agreement shall be construed as a waiver of such right or remedy.

---

## **20. U.S. Technology and Equipment**

By funding this Study, USTDA seeks to promote the project objectives of the Host Country through the use of U.S. technology, goods, and services. In recognition of this purpose, the Grantee agrees that it will allow U.S. suppliers to compete in the procurement of technology, goods and services needed for Project implementation.


**[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]**

IN WITNESS WHEREOF, the Government of the United States of America and the State Oil Company of the Republic of Azerbaijan, each acting through its duly authorized representative, have caused this Agreement to be signed in the Azerbaijani and English languages in their names and delivered as of the day and year written below. In the event of divergence in the interpretation of this Grant Agreement, the English text shall prevail.

For the Government of the  
United States of America

For the State Oil Company of the  
Republic of Azerbaijan

By: 

By: 

Date: August 13, 2009

Date: 13.08.09

Witnessed:

By: 

Witnessed:

By: 

Annex I -- Terms of Reference

Annex II -- USTDA Mandatory Clauses



## Annex I

### Terms of Reference

#### Introduction

The Ecological Department of the Grantee was established by Presidential Order No. 458 in 2006. The Grantee has been charged with the duties of improving ecological conditions; complying with existing international environmental standards and operating norms; environmental impact assessments for industrial enterprises and mitigation of risks; ensuring ecological safety during hydrocarbon extraction, transportation, and processing; disposal of industrial wastes; and elimination of anthropogenic and natural risks and impacts.

The Grantee's current operations generate a wide variety of wastes. In addition, oil-contaminated soils exist in a great number of locations throughout the Absheron Peninsula, which the Grantee plans to remediate. Currently, the Grantee manages a single 45,000 m<sup>3</sup> landfill that commenced operations in 1985, which receives some oil-contaminated soils from ongoing remediation activities. This landfill, however, has structural flaws (e.g., cracks in the concrete liner) and needs to be replaced. Along with the need to dispose of waste generated from ongoing remediation efforts, one of the Grantee's highest priorities is to establish a waste management facility that will process the wastes from Grantee operations (past and present) as well as from its approximately 120 subsidiaries. This facility would focus on recovery of oil and other materials from the waste streams using various unit processes (rather than just landfilling) but would also have a properly designed landfill to manage those materials that cannot be treated or recovered.

The Grantee has identified the following waste streams that need to be managed:

- (1) drilling mud;
- (2) oil-contaminated soil;
- (3) waste oil;
- (4) tires;
- (5) produced water;
- (6) solid waste (e.g., plastics, wood, electronic waste, rubber); and
- (7) oil sludge.

The Study will evaluate the potential for developing a waste management facility. The Study will serve the purpose of determining if designing and constructing a waste management facility is feasible from a technical, economic, and financial standpoint.

The Contractor shall complete the following Study tasks:

Annex I-1

### **Task 1 – Initial Meeting and Study Planning**

The Contractor shall meet with the Grantee to coordinate the Study. Upon award of the Study, the Contractor shall travel to Baku and meet with Grantee officials.

- a.) The Contractor shall discuss the objectives of the Study, collect available background information, and establish a detailed timeline.
- b.) Following these meetings and information gathering, the Contractor shall visit representative locations where wastes are currently being generated and/or are stored as well as the current Grantee landfill in the Qaradagh District.

### **Task 2 – Assessment of SOCAR and SOCAR Subsidiary Waste Streams**

The Contractor shall conduct a detailed assessment of the waste streams of the Grantee and its subsidiaries that are to be managed at the waste facility. This task shall be accomplished by collection of existing data from the Grantee and survey and/or interview with the assistance of the Grantee's Ecology Department. Collected data shall include, but not be limited to such parameters as waste description, source, basic chemical and physical characteristics, current and projected monthly quantities generated, quantities currently in storage, and current storage and treatment methodology. The Contractor shall construct and populate a database with the collected information. An overall waste stream analysis shall be summarized in a memorandum to the Grantee. The memorandum shall also include projected quantities of residual wastes which must be landfilled.

### **Task 3 – Selection of Waste Stream Management Alternatives**

The Contractor shall review and evaluate the data from Task 2. From this, the Contractor, in consultation with the Grantee, shall develop waste loading projections by type to be managed by the facility to be designed and built. In addition, the Contractor shall:

- a.) Develop a list of potential treatment and recovery alternatives for each of the waste types.
- b.) Conduct an analysis for the waste management alternatives that considers technical feasibility, ease of implementation, cost, and material and energy recovery.
- c.) With input from the Grantee, select the preferred treatment and recovery alternative for each waste stream.
- d.) Determine the required capacity needed for landfilling waste residuals assuming a 25-year lifetime.

#### **Task 4 – Assistance with Current Site Evaluation**

The Contractor shall assist the Grantee with a technical review of the existing Waste Management Center in terms of what aspects of the Center need to be repaired and/or upgraded. The review shall consider the technical aspects of the site location to ensure its suitability. The review shall include an examination of the geologic and hydrogeologic data for the site.

#### **Task 5 – Preparation of Process Flow Diagrams**

The Contractor shall prepare process flow diagrams for:

- a. ) Waste unloading, storage, and transfer
- b. ) Physical/chemical treatment
- c. ) Reagent unloading, storage, and transfer
- d. ) Incineration and/or other treatment processes
- e. ) Infrastructure, utilities, and services
- f. ) Waste repository (landfill)

#### **Task 6 – Preparation of Process and Instrumentation Diagrams, Equipment Performance Specifications, and General Site Layout**

The Contractor shall prepare process and instrumentation diagrams for each of the items in Task 5. In addition the Contractor shall prepare:

- a. ) List of major equipment;
- b. ) Equipment performance descriptions and specifications;
- c. ) Building floor plans;
- d. ) Overall site plan; and
- e. ) Cost estimate (+/- 30%) for the facility.

#### **Task 7 – Development Impact Assessment**

The Contractor shall report on the potential development impact of the Project in Azerbaijan. While specific focus should be paid to the immediate impact of the specific Project, the Contractor shall include, where appropriate, any additional developmental benefits of the Project, including spin-off, demonstration, and implementation effects. The analysis of potential benefits should be as concrete and detailed as possible. The development impact factors are intended to provide the Project's decision-makers and interested parties with a broader view of the Project's potential effects. The Contractor shall provide estimates of the Project's potential benefits in the following areas:

- a. ) Infrastructure: a statement on the infrastructure impact giving a brief synopsis.
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- c. ) Human Capacity Building: The Contractor shall address the number and type of positions that have been or will likely be created as a result of the Project.
- d. ) Technology Transfer and Productivity Enhancement: a description of any advanced technologies that have been implemented during or may be implemented as a result of the Project. A description of any efficiency that has or would be gained through the implemented technologies. This shall include a projection of the throughput of waste that will be managed by the upgraded facility.
- e. ) Other: any other developmental benefits to the Project, including any spin-off or demonstration effects.

#### **Task 8 – Environmental Impact Assessment**

The Contractor shall conduct a preliminary review of the Project's anticipated impact on the environment with reference to local requirements and those of multilateral lending agencies (such as the World Bank). This review shall identify potential negative impacts, discuss the extent to which they can be mitigated and develop plans for a full environmental impact assessment if and when the Project moves forward to the implementation stage. This includes the identification of steps that will need to be undertaken by the Grantee subsequent to completion of the Study and prior to the Project's implementation. The review shall also include:

- a. ) A description of the positive and negative environmental impacts during construction and operation.
- b. ) An evaluation of anticipated improvements in soil and water quality improvements that would result following installation of the upgraded waste management facility.
- c. ) A description of national environmental standard, mitigation measures and organizational responsibilities.
- d. ) Specification of possible permits and/or other related requirements for the Project.

#### **Task 9 – Implementation Financing Analysis**

The Contractor shall recommend financing and business operating strategies to the Grantee based on best practices. This shall include an analysis of the availability of equity and debt financing as well as the views of potential public and private financing organizations. The Contractor shall obtain specific terms from the financial institutions that may be interested in financing all or part of the Project. The Contractor shall conduct a thorough evaluation of the various financing alternatives and develop a ranking showing the most preferred to the least desirable financing approach.

#### **Task 10 – Final Report**

The Contractor shall prepare a Final Report in accordance with Clause I of Annex II of the Grant Agreement. The Final Report shall contain an executive summary. The results will be presented in a Final Report that contains all of the critical information developed

during the course of the Study in a substantive and comprehensive manner, and shall include all corresponding deliverables. This includes the results from each of the tasks described above and the specific program technical and financial recommendations for the waste management facility. This Final Report will also serve as the basis for the implementation phase.

The Final Report shall include the technical, financial, and economic aspects of the Study and the work completed in Tasks 1 – 9 above.

- a.) The technical portion shall include recommended program management structure, procedures, methodologies, equipment procurement, training needs, implementation plan and cost estimates;
- b.) The suggested implementation plan shall include schedule, number of proposed contracts, and procurement methods;
- c.) The financial and economic parts of the report shall summarize the economic and financial analyses including commentary on the viability of the Project;
- d.) The Contractor shall identify prospective U.S. sources of supply in the Final Report.

A draft of the report shall be submitted to the Grantee for comments. The Contractor shall finalize the report for submittal to the Grantee and USTDA following incorporation of comments. The Contractor shall provide the Grantee with one (1) complete version of the Final Report, one (1) copy of the Final Report suitable for public distribution ("Public Version"), and two (2) CD-ROMs each containing a complete copy of the Public Version of the Final Report. The Contractor shall provide USTDA with the Final Report in accordance with USTDA Mandatory Contract Clause I. The CD-ROM version of the Final Report shall include:

- Adobe Acrobat readable copies of all documents;
- Source files for all drawings in AutoCAD or Visio format; and
- Source files for all documents in MS Office 2000 or later formats (note: these files may be provided in equivalent readable formats).

**Notes:**

- (1) The Contractor is responsible for compliance with U.S. export licensing requirements, if applicable, in the performance of the Terms of Reference.**
- (2) The Contractor and the Grantee shall be careful to ensure that the public version of the Final Report contains no security or confidential information.**
- (3) The Grantee and USTDA shall have an irrevocable, worldwide, royalty-free, non-exclusive right to use and distribute the Final Report and all work product that is developed under these Terms of Reference.**

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## Annex II

### **USTDA Mandatory Contract Clauses**

#### **A. USTDA Mandatory Clauses Controlling**

The parties to this contract acknowledge that this contract is funded in whole or in part by the U.S. Trade and Development Agency ("USTDA") under the Grant Agreement between the Government of the United States of America acting through USTDA and the State Oil Company of the Republic of Azerbaijan ("Client"), dated \_\_\_\_\_ ("Grant Agreement"). The Client has selected \_\_\_\_\_ ("Contractor") to perform the feasibility study ("Study") for the Waste Management Facility project ("Project") in Azerbaijan ("Host Country"). Notwithstanding any other provisions of this contract, the following USTDA mandatory contract clauses shall govern. All subcontracts entered into by Contractor funded or partially funded with USTDA Grant funds shall include these USTDA mandatory contract clauses, except for clauses B(1), G, H, I, and J. In addition, in the event of any inconsistency between the Grant Agreement and any contract or subcontract thereunder, the Grant Agreement shall be controlling.

#### **B. USTDA as Financier**

##### **(1) USTDA Approval of Contract**

All contracts funded under the Grant Agreement, and any amendments thereto, including assignments and changes in the Terms of Reference, must be approved by USTDA in writing in order to be effective with respect to the expenditure of USTDA Grant funds. USTDA will not authorize the disbursement of USTDA Grant funds until the contract has been formally approved by USTDA or until the contract conforms to modifications required by USTDA during the contract review process.

##### **(2) USTDA Not a Party to the Contract**

It is understood by the parties that USTDA has reserved certain rights such as, but not limited to, the right to approve the terms of this contract and amendments thereto, including assignments, the selection of all contractors, the Terms of Reference, the Final Report, and any and all documents related to any contract funded under the Grant Agreement. The parties hereto further understand and agree that USTDA, in reserving any or all of the foregoing approval rights, has acted solely as a financing entity to assure the proper use of United States Government funds, and that any decision by USTDA to exercise or refrain from exercising these approval rights shall be made as a financier in the course of financing the Study and shall not be construed as making USTDA a party to the contract. The parties hereto understand and agree that USTDA may, from time to time, exercise the foregoing approval rights, or discuss matters related to these rights and the Project with the parties to the contract or any subcontract, jointly or separately, without thereby incurring any responsibility or liability to such parties. Any approval or failure to approve by USTDA shall not

bar the Client or USTDA from asserting any right they might have against the Contractor, or relieve the Contractor of any liability which the Contractor might otherwise have to the Client or USTDA.

### **C. Nationality, Source and Origin**

Except as USTDA may otherwise agree, the following provisions shall govern the delivery of goods and services funded by USTDA under the Grant Agreement: (a) for professional services, the Contractor must be either a U.S. firm or U.S. individual; (b) the Contractor may use U.S. subcontractors without limitation, but the use of subcontractors from Host Country may not exceed twenty percent (20%) of the USTDA Grant amount and may only be used for specific services from the Terms of Reference identified in the subcontract; (c) employees of U.S. Contractor or U.S. subcontractor firms responsible for professional services shall be U.S. citizens or non-U.S. citizens lawfully admitted for permanent residence in the U.S.; (d) goods purchased for performance of the Study and associated delivery services (e.g., international transportation and insurance) must have their nationality, source and origin in the United States; and (e) goods and services incidental to Study support (e.g., local lodging, food, and transportation) in Host Country are not subject to the above restrictions. USTDA will make available further details concerning these provisions upon request.

### **D. Recordkeeping and Audit**

The Contractor and subcontractors funded under the Grant Agreement shall maintain, in accordance with generally accepted accounting procedures, books, records, and other documents, sufficient to reflect properly all transactions under or in connection with the contract. These books, records, and other documents shall clearly identify and track the use and expenditure of USTDA funds, separately from other funding sources. Such books, records, and documents shall be maintained during the contract term and for a period of three (3) years after final disbursement by USTDA. The Contractor and subcontractors shall afford USTDA, or its authorized representatives, the opportunity at reasonable times for inspection and audit of such books, records, and other documentation.

### **E. U.S. Carriers**

#### **(1) Air**

Transportation by air of persons or property funded under the Grant Agreement shall be on U.S. flag carriers in accordance with the Fly America Act, 49 U.S.C. 40118, to the extent service by such carriers is available, as provided under applicable U.S. Government regulations.

#### **(2) Marine**

Transportation by sea of property funded under the Grant Agreement shall be on U.S. carriers in accordance with U.S. cargo preference law.

#### **F. Workman's Compensation Insurance**

The Contractor shall provide adequate Workman's Compensation Insurance coverage for work performed under this Contract.

#### **G. Reporting Requirements**

The Contractor shall advise USTDA by letter as to the status of the Project on March 1st annually for a period of two (2) years after completion of the Study. In addition, if at any time the Contractor receives follow-on work from the Client, the Contractor shall so notify USTDA and designate the Contractor's contact point including name, telephone, and fax number. Since this information may be made publicly available by USTDA, any information which is confidential shall be designated as such by the Contractor and provided separately to USTDA. USTDA will maintain the confidentiality of such information in accordance with applicable law.

#### **H. Disbursement Procedures**

##### **(1) USTDA Approval of Contract**

Disbursement of Grant funds will be made only after USTDA approval of this contract. To make this review in a timely fashion, USTDA must receive from either the Client or the Contractor a photocopy of an English language version of a signed contract or a final negotiated draft version to the attention of the General Counsel's office at USTDA's address listed in Clause M below.

##### **(2) Payment Schedule Requirements**

A payment schedule for disbursement of Grant funds to the Contractor shall be included in this Contract. Such payment schedule must conform to the following USTDA requirements: (1) up to twenty percent (20%) of the total USTDA Grant amount may be used as a mobilization payment; (2) all other payments, with the exception of the final payment, shall be based upon contract performance milestones; and (3) the final payment may be no less than fifteen percent (15%) of the total USTDA Grant amount, payable upon receipt by USTDA of an approved Final Report in accordance with the specifications and quantities set forth in Clause I below. Invoicing procedures for all payments are described below.

##### **(3) Contractor Invoice Requirements**

USTDA will make all disbursements of USTDA Grant funds directly to the Contractor. The Contractor must provide USTDA with an ACH Vendor Enrollment Form (available from USTDA) with the first invoice. The Client shall request disbursement of funds by

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USTDA to the Contractor for performance of the contract by submitting the following to USTDA:

**(a) Contractor's Invoice**

The Contractor's invoice shall include reference to an item listed in the Contract payment schedule, the requested payment amount, and an appropriate certification by the Contractor, as follows:

(i) For a mobilization payment (if any):

"As a condition for this mobilization payment, the Contractor certifies that it will perform all work in accordance with the terms of its Contract with the Client. To the extent that the Contractor does not comply with the terms and conditions of the Contract, including the USTDA mandatory provisions contained therein, it will, upon USTDA's request, make an appropriate refund to USTDA. "

(ii) For contract performance milestone payments:

"The Contractor has performed the work described in this invoice in accordance with the terms of its contract with the Client and is entitled to payment thereunder. To the extent the Contractor has not complied with the terms and conditions of the Contract, including the USTDA mandatory provisions contained therein, it will, upon USTDA's request, make an appropriate refund to USTDA."

(iii) For final payment:

"The Contractor has performed the work described in this invoice in accordance with the terms of its contract with the Client and is entitled to payment thereunder. Specifically, the Contractor has submitted the Final Report to the Client, as required by the Contract, and received the Client's approval of the Final Report. To the extent the Contractor has not complied with the terms and conditions of the Contract, including the USTDA mandatory provisions contained therein, it will, upon USTDA's request, make an appropriate refund to USTDA."

**(b) Client's Approval of the Contractor's Invoice**

(i) The invoice for a mobilization payment must be approved in writing by the Client.

(ii) For contract performance milestone payments, the following certification by the Client must be provided on the invoice or separately:

"The services for which disbursement is requested by the Contractor have been performed satisfactorily, in accordance with applicable Contract provisions and the terms and conditions of the USTDA Grant Agreement."

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(iii) For final payment, the following certification by the Client must be provided on the invoice or separately:

"The services for which disbursement is requested by the Contractor have been performed satisfactorily, in accordance with applicable Contract provisions and terms and conditions of the USTDA Grant Agreement. The Final Report submitted by the Contractor has been reviewed and approved by the Client. "

**(c) USTDA Address for Disbursement Requests**

Requests for disbursement shall be submitted by courier or mail to the attention of the Finance Department at USTDA's address listed in Clause M below.

**(4) Termination**

In the event that the Contract is terminated prior to completion, the Contractor will be eligible, subject to USTDA approval, for reasonable and documented costs which have been incurred in performing the Terms of Reference prior to termination, as well as reasonable wind down expenses. Reimbursement for such costs shall not exceed the total amount of undisbursed Grant funds. Likewise, in the event of such termination, USTDA is entitled to receive from the Contractor all USTDA Grant funds previously disbursed to the Contractor (including but not limited to mobilization payments) which exceed the reasonable and documented costs incurred in performing the Terms of Reference prior to termination.

**I. USTDA Final Report**

**(1) Definition**

"Final Report" shall mean the Final Report described in the attached Annex I Terms of Reference or, if no such "Final Report" is described therein, "Final Report" shall mean a substantive and comprehensive report of work performed in accordance with the attached Annex I Terms of Reference, including any documents delivered to the Client.

**(2) Final Report Submission Requirements**

The Contractor shall provide the following to USTDA:

(a) One (1) complete version of the Final Report for USTDA's records. This version shall have been approved by the Client in writing and must be in the English language. It is the responsibility of the Contractor to ensure that confidential information, if any, contained in this version be clearly marked. USTDA will maintain the confidentiality of such information in accordance with applicable law.

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and

(b) One (1) copy of the Final Report suitable for public distribution ("Public Version"). The Public Version shall have been approved by the Client in writing and must be in the English language. As this version will be available for public distribution, it must not contain any confidential information. If the report in (a) above contains no confidential information, it may be used as the Public Version. In any event, the Public Version must be informative and contain sufficient Project detail to be useful to prospective equipment and service providers.

and

(c) Two (2) CD-ROMs, each containing a complete copy of the Public Version of the Final Report. The electronic files on the CD-ROMs shall be submitted in a commonly accessible read-only format. As these CD-ROMs will be available for public distribution, they must not contain any confidential information. It is the responsibility of the Contractor to ensure that no confidential information is contained on the CD-ROMs.

The Contractor shall also provide one (1) copy of the Public Version of the Final Report to the Foreign Commercial Service Officer or the Economic Section of the U.S. Embassy in Host Country for informational purposes.

### **(3) Final Report Presentation**

All Final Reports submitted to USTDA must be paginated and include the following:

(a) The front cover of every Final Report shall contain the name of the Client, the name of the Contractor who prepared the report, a report title, USTDA's logo, USTDA's mailing and delivery addresses. If the complete version of the Final Report contains confidential information, the Contractor shall be responsible for labeling the front cover of that version of the Final Report with the term "Confidential Version." The Contractor shall be responsible for labeling the front cover of the Public Version of the Final Report with the term "Public Version." The front cover of every Final Report shall also contain the following disclaimer:

"This report was funded by the U.S. Trade and Development Agency (USTDA), an agency of the U. S. Government. The opinions, findings, conclusions or recommendations expressed in this document are those of the author(s) and do not necessarily represent the official position or policies of USTDA. USTDA makes no representation about, nor does it accept responsibility for, the accuracy or completeness of the information contained in this report."

(b) The inside front cover of every Final Report shall contain USTDA's logo, USTDA's mailing and delivery addresses, and USTDA's mission statement.

Annex II-6

Camera-ready copy of USTDA Final Report specifications will be available from USTDA upon request.

(c) The Contractor shall affix to the front of the CD-ROM a label identifying the Host Country, USTDA Activity Number, the name of the Client, the name of the Contractor who prepared the report, a report title, and the following language:

“The Contractor certifies that this CD-ROM contains the Public Version of the Final Report and that all contents are suitable for public distribution.”

(d) The Contractor and any subcontractors that perform work pursuant to the Grant Agreement must be clearly identified in the Final Report. Business name, point of contact, address, telephone and fax numbers shall be included for Contractor and each subcontractor.

(e) The Final Report, while aiming at optimum specifications and characteristics for the Project, shall identify the availability of prospective U.S. sources of supply. Business name, point of contact, address, telephone and fax numbers shall be included for each commercial source.

(f) The Final Report shall be accompanied by a letter or other notation by the Client which states that the Client approves the Final Report. A certification by the Client to this effect provided on or with the invoice for final payment will meet this requirement.

#### **J. Modifications**

All changes, modifications, assignments or amendments to this contract, including the appendices, shall be made only by written agreement by the parties hereto, subject to written USTDA approval.

#### **K. Study Schedule**

##### **(1) Study Completion Date**

The completion date for the Study, which is December 31, 2010, is the date by which the parties estimate that the Study will have been completed.

## **(2) Time Limitation on Disbursement of USTDA Grant Funds**

Except as USTDA may otherwise agree, (a) no USTDA funds may be disbursed under this contract for goods and services which are provided prior to the Effective Date of the Grant Agreement; and (b) all funds made available under the Grant Agreement must be disbursed within four (4) years from the Effective Date of the Grant Agreement.

### **L. Business Practices**

The Contractor agrees not to pay, promise to pay, or authorize the payment of any money or anything of value, directly or indirectly, to any person (whether a governmental official or private individual) for the purpose of illegally or improperly inducing anyone to take any action favorable to any party in connection with the Study. The Client agrees not to receive any such payment. The Contractor and the Client agree that each will require that any agent or representative hired to represent them in connection with the Study will comply with this paragraph and all laws which apply to activities and obligations of each party under this Contract, including but not limited to those laws and obligations dealing with improper payments as described above.

### **M. USTDA Address and Fiscal Data**

Any communication with USTDA regarding this Contract shall be sent to the following address and include the fiscal data listed below:

U.S. Trade and Development Agency  
1000 Wilson Boulevard, Suite 1600  
Arlington, Virginia 22209-3901  
USA

Phone: (703) 875-4357  
Fax: (703) 875-4009

#### **Fiscal Data:**

Appropriation No.:	118/91002
Activity No.:	2009-81024A
Reservation No.:	2009810026
Grant No.:	GH2009810009

### **N. Definitions**

All capitalized terms not otherwise defined herein shall have the meaning set forth in the Grant Agreement.

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#### **O. Taxes**

USTDA funds provided under the Grant Agreement shall not be used to pay any taxes, tariffs, duties, fees or other levies imposed under laws in effect in Host Country. Neither the Client nor the Contractor will seek reimbursement from USTDA for such taxes, tariffs, duties, fees or other levies.

## **ANNEX 5**

## Annex I

### **Terms of Reference**

#### **Introduction**

The Ecological Department of the Grantee was established by Presidential Order No. 458 in 2006. The Grantee has been charged with the duties of improving ecological conditions; complying with existing international environmental standards and operating norms; environmental impact assessments for industrial enterprises and mitigation of risks; ensuring ecological safety during hydrocarbon extraction, transportation, and processing; disposal of industrial wastes; and elimination of anthropogenic and natural risks and impacts.

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- (3) waste oil;
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- (6) solid waste (e.g., plastics, wood, electronic waste, rubber); and
- (7) oil sludge.

The Study will evaluate the potential for developing a waste management facility. The Study will serve the purpose of determining if designing and constructing a waste management facility is feasible from a technical, economic, and financial standpoint.

The Contractor shall complete the following Study tasks:

Annex I-1



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- a.) The Contractor shall discuss the objectives of the Study, collect available background information, and establish a detailed timeline.
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- c.) With input from the Grantee, select the preferred treatment and recovery alternative for each waste stream.
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- b. ) Market-Oriented Reform: a description of any regulation, laws, or institutional changes that are recommended and the effect they would have if implemented.

- c. ) Human Capacity Building: The Contractor shall address the number and type of positions that have been or will likely be created as a result of the Project.
- d. ) Technology Transfer and Productivity Enhancement: a description of any advanced technologies that have been implemented during or may be implemented as a result of the Project. A description of any efficiency that has or would be gained through the implemented technologies. This shall include a projection of the throughput of waste that will be managed by the upgraded facility.
- e. ) Other: any other developmental benefits to the Project, including any spin-off or demonstration effects.

#### **Task 8 – Environmental Impact Assessment**

The Contractor shall conduct a preliminary review of the Project's anticipated impact on the environment with reference to local requirements and those of multilateral lending agencies (such as the World Bank). This review shall identify potential negative impacts, discuss the extent to which they can be mitigated and develop plans for a full environmental impact assessment if and when the Project moves forward to the implementation stage. This includes the identification of steps that will need to be undertaken by the Grantee subsequent to completion of the Study and prior to the Project's implementation. The review shall also include:

- a. ) A description of the positive and negative environmental impacts during construction and operation.
- b. ) An evaluation of anticipated improvements in soil and water quality improvements that would result following installation of the upgraded waste management facility.
- c. ) A description of national environmental standard, mitigation measures and organizational responsibilities.
- d. ) Specification of possible permits and/or other related requirements for the Project.

#### **Task 9 – Implementation Financing Analysis**

The Contractor shall recommend financing and business operating strategies to the Grantee based on best practices. This shall include an analysis of the availability of equity and debt financing as well as the views of potential public and private financing organizations. The Contractor shall obtain specific terms from the financial institutions that may be interested in financing all or part of the Project. The Contractor shall conduct a thorough evaluation of the various financing alternatives and develop a ranking showing the most preferred to the least desirable financing approach.

#### **Task 10 – Final Report**

The Contractor shall prepare a Final Report in accordance with Clause I of Annex II of the Grant Agreement. The Final Report shall contain an executive summary. The results will be presented in a Final Report that contains all of the critical information developed

## ANNEX 6

## **COMPANY INFORMATION**

### **A. Company Profile**

Provide the information listed below relative to the Offeror's firm. If the Offeror is proposing to subcontract some of the proposed work to another firm(s), the information below must be provided for each subcontractor.

1. Name of firm and business address (street address only), including telephone and fax numbers:
2. Year established (include predecessor companies and year(s) established, if appropriate).
3. Type of ownership (e.g. public, private or closely held).
4. If private or closely held company, provide list of shareholders and the percentage of their ownership.
5. List of directors and principal officers (President, Chief Executive Officer, Vice-President(s), Secretary and Treasurer; provide full names including first, middle and last). Please place an asterisk (\*) next to the names of those principal officers who will be involved in the Feasibility Study.
6. If Offeror is a subsidiary, indicate if Offeror is a wholly-owned or partially-owned subsidiary. Provide the information requested in items 1 through 5 above for the Offeror's parent(s).

7. Project Manager's name, address, telephone number, e-mail address and fax number .

**B. Offeror's Authorized Negotiator**

Provide name, title, address, telephone number, e-mail address and fax number of the Offeror's authorized negotiator. The person cited shall be empowered to make binding commitments for the Offeror and its subcontractors, if any.

**C. Negotiation Prerequisites**

1. Discuss any current or anticipated commitments which may impact the ability of the Offeror or its subcontractors to complete the Feasibility Study as proposed and reflect such impact within the project schedule.
2. Identify any specific information which is needed from the Grantee before commencing contract negotiations.

**D. Offeror's Representations**

Please provide exceptions and/or explanations in the event that any of the following representations cannot be made:

1. Offeror is a corporation [*insert applicable type of entity if not a corporation*] duly organized, validly existing and in good standing under the laws of the State of \_\_\_\_\_. The Offeror has all the requisite corporate power and authority to conduct its business as presently conducted, to submit this proposal, and if selected, to execute and deliver a contract to the Grantee for the performance of the Feasibility Study. The Offeror is not debarred, suspended, or to the best of its knowledge or belief, proposed for debarment, or ineligible for the award of contracts by any federal or state governmental agency or authority. The Offeror has included, with this proposal, a

certified copy of its Articles of Incorporation, and a certificate of good standing issued within one month of the date of its proposal by the State of \_\_\_\_\_.

2. Neither the Offeror nor any of its principal officers have, within the three-year period preceding this RFP, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a federal, state or local government contract or subcontract; violation of federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violating federal or state criminal tax laws, or receiving stolen property.
3. Neither the Offeror, nor any of its principal officers, is presently indicted for, or otherwise criminally or civilly charged with, commission of any of the offenses enumerated in paragraph 2 above.
4. There are no federal or state tax liens pending against the assets, property or business of the Offeror. The Offeror, has not, within the three-year period preceding this RFP, been notified of any delinquent federal or state taxes in an amount that exceeds \$3,000 for which the liability remains unsatisfied. Taxes are considered delinquent if (a) the tax liability has been fully determined, with no pending administrative or judicial appeals; and (b) a taxpayer has failed to pay the tax liability when full payment is due and required.
5. The Offeror has not commenced a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law. The Offeror has not had filed against it an involuntary petition under any bankruptcy, insolvency or similar law.

The selected Offeror shall notify the Grantee and USTDA if any of the representations included in its proposal are no longer true and correct at the time of its entry into a contract with the Grantee. USTDA retains the right to request an updated certificate of good standing from the selected Offeror.

Signed: \_\_\_\_\_  
(Authorized Representative)

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_